

THE LEONARD LETTER

*A weekly electronic newsletter about
California government, business and taxes*

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September 11, 2006

QUOTE OF THE WEEK

*After watching this session of the legislature, both parts of this quote are self-evident:
"The trouble with socialism is socialism. The trouble with capitalism is capitalists."
--- The late Austrian analyst Willi Schlamm*

UNDER THE DOME

*****9/11 Retrospective*****

Five years ago today, our society changed deeply and dramatically by the terrorist attacks on our east coast. I thank God that we have experienced no other terrorist attacks on our soil near that magnitude. I thank our President, our military and our law enforcement personnel for making this possible because when history is told, I think the record of the number of plans and abortive attempts to attack us will be staggering. And just as the war on terror is not over, it is also too early to fully assess the consequences and changes brought on by these attacks.

History is a study and preservation of the past. While definitions differ, I think that until the current generation has passed away, an event cannot be called history, but contemporary. We still have not brought to justice all of those who planned and financed this act of war upon America. We have not yet rebuilt the destroyed plaza. We have individuals still with medical issues due to the violence of the destruction. And we know that while as of 2006, September 11th was the worst attack on America since the British burned the White House, we know that even today people are planning even more destructive attacks. In other words, not enough time has passed since 9/11/01 to have a historical perspective. At least, that's the view of this old history major.

*****Major Math Error*****

When I fail to double check even simple addition can I ever make an error. Last week I complained that \$313 billion of your money goes to government. Thanks to a sharp eyed and mathematically superior reader the real number is \$413 billion! Which means that my calculation of the percentage of your income that goes for taxes was also wrong. The right number is 29.5%. While that number is right it is also wrongfully high.

*****Friends Gone*****

Liberals like to stereotype conservatives as unfeeling, cold hearted, intolerant naysayers. Conservatives obviously know better. But nothing more could prove the stereotype wrong than two conservatives full of grace who departed this life last week. Linda Costigan was an instant friend and an untiring ally in whatever cause we joined. She and husband Dick were partners every day of their marriage in family, business, and politics. I will miss her. Likewise, Clair Burgener was the kind of assemblyman, senator and congressman who could (and would) vote against a bad bill and still love its author. He was a Republican who worked with everybody on problem solving and stayed true to his principles. He left office in 1982 so most current officeholders will have never heard of him. But I will miss him.

*****Legislature OK with Phishing*****

If you are an avid user of email, you are familiar with the multitude of illegitimate emails that attempt to get you to divulge your personal and financial information by pretending to be from your bank or another legitimate enterprise. We all know this is a problem and we know identify theft is increasing in frequency and severity. Despite this common knowledge, the Legislature was unwilling to act to criminalize “phishing” this session. Senator Chuck Poochigian’s S.B. 1338 never made it out of Assembly Appropriations so the thieves who stalk you electronically are still only eligible for civil penalties rather than being treated as the serious criminals they are. I hope the Senator will push this again next year when he is our attorney general and that better sense will prevail among the Legislature.

*****How a Bill Becomes a Law*****

The Legislature has adjourned its regular session and now we wait until the end of September to see which of the approved bills the Governor signs and which he vetoes. But what happens with those bills during the time they pass the Legislature and when they arrive on the governor’s desk? The Assembly Chief Clerk’s office of Engrossing and Enrolling is the hard-working but obscure office that plays a vital role in this process. Engrossing consists of proofreading and editing the bills, resolutions and constitutional amendments that have been approved. This is done by four teams of two proofreaders, and they have many specialties, from professional terminologies to chemical terms to the Spanish language. The proofreaders are also responsible for editing the bills to make sure that the language that is going to the Governor is the language actually passed by the Legislature. Enrolling is the organizational process of keeping the bills in order, preparing them for printing, and coordinating with the Governor’s office, the Senate, Legislative Counsel, the office of state printing and the bill room to set printing priorities, anticipate deadlines, and authorize corrections and changes. A bill that passes the Legislature will spend about a week in the office of Engrossing and Enrolling before it gets to the governor.

AROUND THE STATE

*****Your Personal Tolerance Meter*****

I heard two reports about public schools this week that make me even happier that my own children are graduated and sadder that my sister still has to teach in this environment. The first was a speech given by a renown high school football coach to a community service club. The coach was expressing his frustration with teachers who will not “work with students” and instead hold them to deadlines and standards “like it was 1980.” By “work with” the coach meant let his players slide on class expectations so that they can still play ball. I, for one, believe we do our students a grave disservice by “working with” them in that manner. However, I fall short of being shocked since this lowering of standards is so prevalent in public schools today.

Consider the content of an in-service seminar presented to teachers in the Victor Valley Union High School District. Speaker Ray Culberson was advocating the “new professionalism,” to help teachers determine how to adjust their interaction with and discipline of students who come from difficult backgrounds. According to a newspaper report of the incident, Culberson, who works for the San Bernardino City Unified School District, explained that “students today have less respect for authority than they did when many teachers were in school and consequently, some teachers have unrealistic expectations of their students.” Culberson asked teachers to think about how many times a day they can personally tolerated being sworn at by students. Teachers who have a low tolerance level will not be as able to calmly follow school procedures as teachers with a high tolerance level. Again, I believe we do our students a grave disservice by tolerating vulgarity and disrespect, no matter what their backgrounds.

MISCELLANY

*****California County History*****

Siskiyou County was created in 1852 and sits in the Cascade Mountains on the state’s border with Oregon. The origin of the word “Siskiyou” is not known. One theory is that it was the name of a local native tribe. Another theory, put forth in a state Senate debate in 1852, is that the French name Six Callieux, meaning “six-stone,” was given to a ford on the Umpqua River by Michel La Frambeau and a party of Hudson Bay company trappers 20 years earlier, because six large stones lay in the river enabling them to cross.

According to <http://www.siskiyouhistory.org/pre1850.html> , the history of native people in the area has been traced back 7,000 years. The first record of non-natives in Siskiyou County was another company of Hudson Bay Company trappers, led by Peter Ogden during the winter of 1826-27. Hudson Bay Company trappers formalized the Siskiyou Trail between the Central Valley and the Pacific Northwest. The trail, originally native footpaths, was expanded by the fur trappers and then later by the miners after gold was discovered in Siskiyou County around 1850.

Siskiyou County is home to Mt. Shasta, the state’s seventh tallest peak at 14,179 feet. I enjoyed looking at this picture of a party in the 1920s climbing Mt. Shasta:

http://www.siskiyouhistory.org/1900_image8.html

The mountain is a stratovolcano that rises up from the low ground surrounding it, free from other peaks. There are five named glaciers on the mountain's north side. The last significant eruption at Shasta came about 200 years ago and produced a mudflow that streamed 7.5 miles down the mountain's east flank by way of Ash Creek.

*****A Good Read*****

For those of you who remember my previous recommendation of the story about the "USS Tang," I have another fascinating story of WW II U.S. submarine warfare in the Pacific: "Thunder Below!: The USS Barb Revolutionizes Submarine Warfare in World War II" by Adm. Eugene B. Fluckey. The "Barb" was regarded as the one of the most productive submarines in World War II and even exceeded the "Tang" by some measurements. Admiral Fluckey details the 8th through 12th war patrols and intersperses information from Japanese and other sources as well as an illegal diary kept by one of the crew members. During its patrols, the Barb sank at least 29 enemy ships, blew up a train and tracks in the only amphibious assault on Japanese soil of the war, and made the first use of rockets fired from a submarine. The "Barb" had to overcome determined Japanese resistance and severely defective torpedoes. On one patrol about half the torpedoes malfunctioned. For his daring assault on Japanese ships in a supposedly safe harbor, Admiral Fluckey earned the Medal of Honor. The decisions made while on patrol showed Admiral Fluckey to be a master of submarine warfare. Comparison to the activities of the "Tang" also indicated fascinating differences. For example, while "Barb" often preferred to search its area on the surface at speed to increase the search area, "Tang" often preferred to loiter at likely locations to conserve fuel and increase potential time on station and surprise. Both submarines were immensely successful and reading about them is educational and entertaining.

BOE AND LEGISLATIVE DATES

September 12-13, 2006 --- BOE meets in Culver City.

September 14, 2006 --- Free Tax Seminar for Nonprofit and Faith-based organizations in Santa Barbara. For more information/registration, go to:

<http://www.boe.ca.gov/sutax/nonprofitsched.htm>

September 21, 2006 --- Free Tax Seminar for Nonprofit and Faith-based organizations in Fairfield/Vacaville. For more information/registration, go to:

<http://www.boe.ca.gov/sutax/nonprofitsched.htm>

September 27, 2006 --- BOE meets in Sacramento.

September 30, 2006 — Last day for Governor to sign or veto bills passed by the Legislature before September 1 and in his possession on or after September 1 (Art. IV, Sec.10(b)(2)).

October 5, 2006 --- Free Tax Seminar for Nonprofit and Faith-based organizations in Ontario/Chino. For more information/registration, go to:

<http://www.boe.ca.gov/sutax/nonprofitsched.htm>

October 9, 2006 --- First day absentee ballots will be mailed to those who have requested them.

October 9, 2006 --- Columbus Day.

October 11, 2006 --- Board of Equalization meets in Sacramento.

NOTABLE DATES/ HISTORY

September 11, 1777 --- The British army, led by generals William Howe and Charles Cornwallis, defeated the American forces led by General George Washington at the Battle of the Brandywine in Pennsylvania.

September 11, 2001 --- Terrorists hijacked U.S. airplanes, crashing two in the World Trade Center in New York City, one into the Pentagon in Arlington, Virginia, and a fourth into a field in Pennsylvania. The attacks, which killed more than 3,000 people.

September 12, 1935 --- American multimillionaire Howard Hughes sets the world's landplane record of 352.46 mph in an airplane of his own design.

September 13, 1789 --- New York City banks provided the first loan to the US. Government.

September 14, 1847 --- Following the Battle for Mexico City, U.S. troops under the command of General Winfield Scott marched into the Main Plaza, where a force of U.S. Marines raised the American flag over the National Palace, the "Halls of Montezuma."

September 14, 1874 --- Democrat white supremacists seized the Louisiana statehouse in attempt to overthrow racially-integrated administration of Republican Governor William Kellogg and 27 people were killed.

September 15, 1981 --- The Senate Judiciary Committee unanimously approved the appointment of Sandra Day O'Connor to the Supreme Court.

September 16, 1620 --- A group of 102 Pilgrims, most of them religious dissenters known as Separatists, departed for North America from Plymouth, England, aboard the *Mayflower*.

September 16, 1940 --- Texas Congressman Sam Rayburn was elected Speaker of the U.S. House of Representatives, a position he held during Democratic majorities in the House until his death in 1961.

September 17, 1630 --- English Puritans led by John Winthrop established a settlement on the Shawmut peninsula in the Massachusetts Bay Colony. The settlement was later named Boston, after the town of Boston in Lincolnshire, England.

September 17, 1787 --- At the close of the Constitutional Convention in Philadelphia, the delegates signed the new Constitution of the United States.

September 17, 1796 --- U.S. President George Washington delivered his Farewell Address, in which he declined to stand for a third term as president.

September 17, 1862 --- At Antietam, one of the bloodiest battles of the American Civil War, Union troops led by General George McClellan halted the northward drive of General Robert E. Lee's Confederate army.

GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115
TDD service for the hearing impaired
TDD phones: 800-735-2929
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

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